



September 14, 2006

Via email to rule-comments@sec.gov

Ms. Nancy M. Morris, Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: File S7-06-03

Dear Ms. Morris,

I am submitting this letter in response to a request for comments by the Commission in Release No. 33-8731; 34-54295, Internal Control Over Financial Reporting In Exchange Act Periodic Reports of Non-Accelerated Filers and Newly Public Companies (the "Release"), which proposes to further extend the compliance dates for the internal control requirements mandated by Section 404 of the Sarbanes-Oxley Act of 2002 for smaller public companies.

I support the Commission's proposal to implement the proposed extensions for non-accelerated filers and to a transition time for newly public companies. Further, I recommend that the Commission extend the transition time to all companies that are required to conduct their first assessment of internal controls applicable to the Sarbanes Oxley Act, including companies that due to their market capitalization values reaching the \$75M threshold, are required to transition from a non-accelerated basis to accelerated basis during the extension period. If this latter suggestion is not implemented, I strongly urge the Commission to, at a minimum, change the market capitalization measurement date from June 30th to the first day of the calendar year or the company's fiscal year, in order to better allow companies to more timely determine whether they meet the accelerated filer status and associated reporting internal control assessment requirements.

The Commission has stated that it plans to issue additional guidance to management on how to complete its assessment of internal control over financial reporting. Until these additional guidelines are issued, companies undergoing the assessment for the first time may incur incremental expense and effort without the benefit of the Commission's improvement actions. This is especially true for companies that move from non-accelerated status to accelerated status during this time frame. I strongly urge the Commission to treat this group of companies in a similar manner and allow the extension periods to be applicable to both companies that maintain their status as non-accelerated filers as well as those that move into accelerated filer status during this extension timeframe.

Thank you for your consideration of my comments.

Sincerely,

Thomas J. Madden
Chief Financial Officer
PFSweb, Inc.